



Government of
Saskatchewan

Annual Report

1988-89

**Saskatchewan
Liquor Board**



Letter of Transmittal

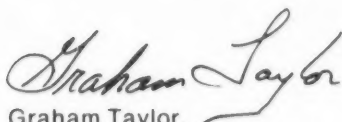
Saskatchewan
Liquor Board
Annual Report
1988-89

The Honourable Sylvia Fedoruk,
Lieutenant Governor of the
Province of Saskatchewan.

Dear Madam:

I have the honour to hereby transmit the annual
report of the Saskatchewan Liquor Board for
the year ending March 31, 1989.

Yours sincerely,



Graham Taylor,
Minister in Charge,
Saskatchewan Liquor Board.



Report of the Board

Chairman's Transmittal	1
Chairman/Chief Executive Officer Report	2
Organization Chart	3
Retail Operations	4
Products and Distribution	4
Financial Operations	5
Personnel	5
Permits	6
Operating Graphs and Statistics	11
Schedules of Sales and Purchases	17

Financial Statements

Auditor's Report	30
Balance Sheet	31
Statement of Income and Retained Earnings	32
Statement of Cash Flows	33
Notes to the Financial Statements	34
Cost of Sales Schedule	37
Schedule of Operating Expenses	37
Schedule of Other Income	38



A Message from The Chairman of the Board

Regina, Saskatchewan

The Honourable Graham Taylor,
Minister in Charge,
Saskatchewan Liquor Board.

I have the honour to submit pursuant to Section
222 of The Liquor Act the sixty-fourth annual
report for the fiscal year ending March 31, 1989.

Respectfully submitted,



Ted Urness
Chairman.



Report from the Chairman and Chief Executive Officer

The 1988/89 fiscal year was without a doubt one of the most significant years in the history of the Saskatchewan Liquor Board.

A contemporary new liquor act with diverse implications for both retail and licensing operations was proclaimed January 2, 1989. *The Alcohol Control Act*, S.S. 1988 replaced *The Liquor Act, 1925* and *The Liquor Licensing Act, 1959*.

In conjunction with the amalgamation of the Liquor Board and Liquor Licensing responsibilities, the organizational structure of the Liquor Board was redefined, as illustrated in the organization chart on the following page.

Under the new license classification system provided for in the new act, few license categories and the use of specific endorsements will allow greater flexibility in the tailoring of liquor licenses to suit the individual needs of licensees and the community. For example, an endorsement allowing family dining in "beverage rooms", where previously minors were not allowed, is available to qualified hotels in rural areas. New concepts in the hospitality industry, such as brew pubs, were also made possible by the new legislation.

Through regulations pursuant to the Act, the number of private liquor franchises allowed in the province was increased from 160 to 210. This change will allow the establishment of additional liquor franchises in rural Saskatchewan, as well as the replacement of some Board stores where a franchise would be more cost-efficient.

Consistent with the provincial government's initiatives against drug and alcohol abuse, fines and penalties were significantly increased for all contraventions of the Act, including service or sale to minors, purchase or consumption by minors, over-service, consumption in a vehicle and unlawful sale of alcohol.

In May, 1988, *The Litter Act* was amended to allow the sale of beer and soft drinks in aluminum cans. Consequently, canned beer was re-introduced to the province after a 16-year absence and was extremely well-received by our customers. In addition, the province's hoteliers were given a wholesale price on canned beer purchases, along with a regulated retail price, allowing them to offer a price to the public for off-sale canned beer competitive with Liquor Board stores.

In 1988/89, the sales volume of absolute alcohol declined for the seventh consecutive year. However, for the first time, total value of sales did not offset the decline, and the Board reported a 1.3% decrease in net income to \$122.2 million.

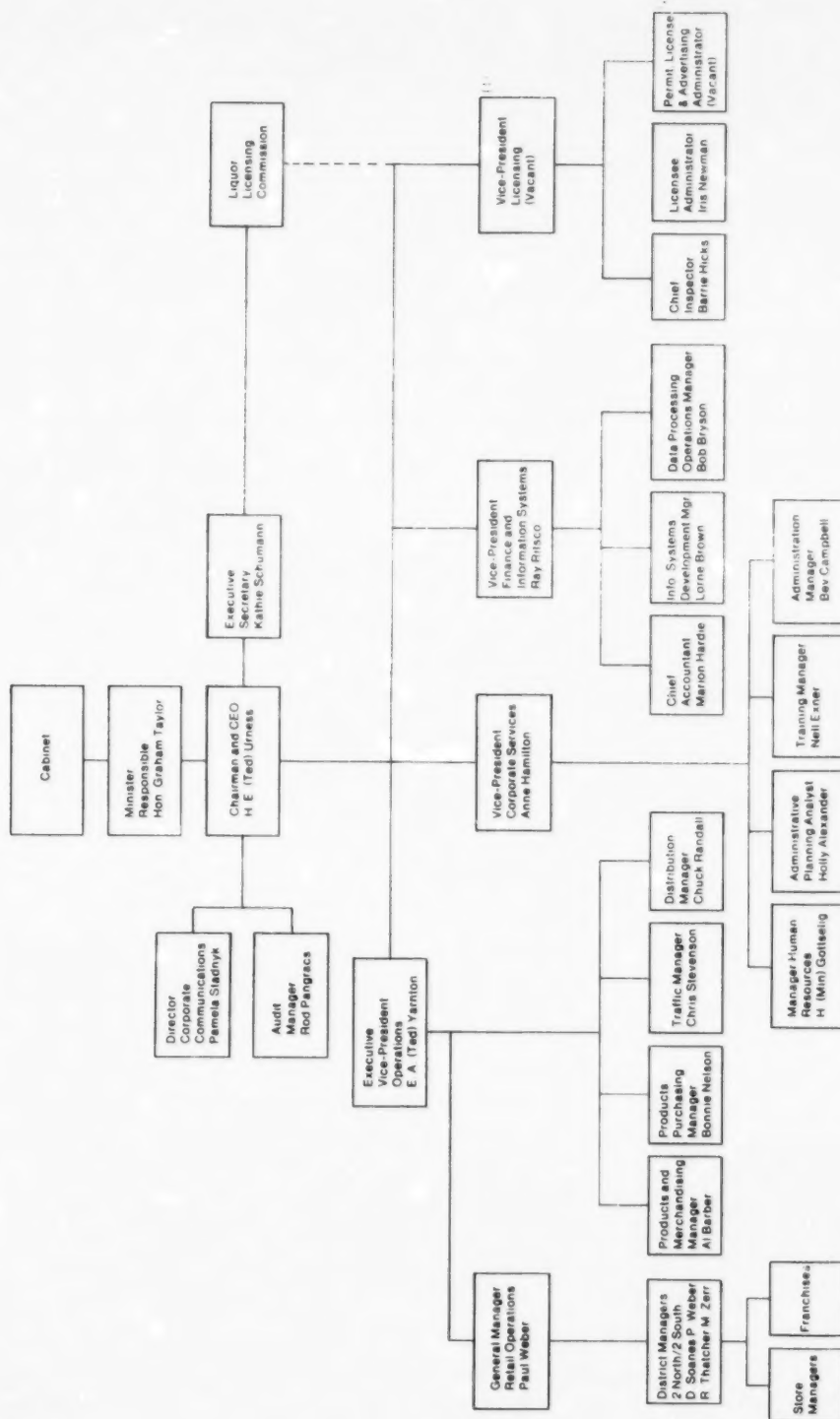
Another development which will continue to impact on the Board well into 1989/90 was the settlement on December 17, 1988 of the GATT (General Agreement on Tariffs and Trade) dispute between Canada and the European Community over provincial liquor board practices. In order to conform to the provisions of the settlement, the Board is required to make changes to its policies to provide non-discriminatory treatment toward imported products. The Board is examining its policies with a view to complying with the terms of the agreement.

In summary, 1988/89, was a year of monumental change for the Board and its employees, crowned by the passing of new and much more flexible enabling legislation. In the year to come, the Board will continue to work on updating its policies and implementing changes allowed by the new *Alcohol Control Act*. I want to thank all Board employees for their efforts towards meeting these many new challenges.



Organizational Chart

Saskatchewan Liquor Board Organizational Chart as at March 31, 1989



- (1) Peter Williamson — employed effective May 29, 1989.
(2) Holly Alexander — acting in a temporary capacity.

Retail Operations

As of March 31, 1989, the Board was operating 160 franchise agencies and 86 Board stores. Two of these stores, located in Regina and Saskatoon, cater exclusively to the licensee trade.

There are also two full-line specialty stores, the South Albert Street Store in Regina and the 2nd Avenue North Store in Saskatoon. Many of the specialty items are available in other stores as demand warrants.

The main thrust has been to improve our management of human resources and inventory. We believe we are close to optimizing our usage of human resources without significantly sacrificing customer service. Inventory levels and turnover have been improved, however we feel further improvements are needed in this area.

With respect to the Board's franchise stores, of the 160 franchises operating in the province, 132 or 82.5% employ a self-service format leaving only 28 utilizing the traditional counter-service mode.

Products and Distribution

Spirits, wine and imported beer are distributed to Board stores and franchises from a central bonded warehouse located in Regina. Domestic beer is distributed for the Board by the Saskatchewan Brewers Association.

The central warehouse facility underwent renovations this year designed to further enhance efficiency and the level of service to the 86 Board stores and 160 franchises it serves.

At year end, the Board had 1,215 general and 397 specialty listings, made available to the Board by a large contingent of Canadian and foreign suppliers. Specialty listings, with emphasis on wine, are intended to provide the general public with a more varied selection of products. A full-line display of specialty products is offered by the South Albert Street Store in Regina and the 2nd Avenue North Store in Saskatoon. Any product from the Board's global list is available to the general public and licensees upon request through Board stores and franchises.

The trend toward moderation by the consuming public continued this past year with a general decline in absolute alcohol sold, of 2.4%. An analysis of general sales trends shows a significant downward slide in spirit, wine and cooler sales offset slightly by an increase in beer sales volume, up 3%. The introduction of canned beer in May 1988 is deemed to have contributed to the increase in beer sales volume. Canned beer now represents 34% of the total beer market.

Total wine sales volumes fell this past year by 13% due to the on-going effect of foreign exchange rates on traditionally high-volume French, German and Italian wines. However, price advantage did provide for enhanced market penetration by a number of foreign sources, namely the United States, South America, Eastern Europe, Portugal and Australia.

Within the spirit market, sales volumes declined 6.5% with all major categories experiencing a decline except tequila, which was up 21%.



For the first time since their introduction in 1984, wine-based cooler products showed a decline in sales volume, down 18%. On the other hand, spirit-based coolers performed well during the year, increasing by 12%.

From a marketing perspective, the use of Polyethylene Terephthalate or P.E.T. containers by the Industry as a substitution for glass became even more apparent during the year, with the 375 milliliter sizes of spirits being packaged in plastic containers.

In 1989/90, no significant deviation from the trends noted is anticipated for spirits, wine and coolers. However, we anticipate a return to sales patterns of 1987/88 as 1988/89 sales were artificially inflated by the introduction of canned beer.

Financial Operations

Sales were up 1.0% to \$313 million despite a decline in sales volumes. The increase in value of sales was primarily due to the following price increases:

Increase of Federal Sales Tax on alcoholic beverages from 15% to 18% on January 1, 1988.

Various supplier price increases.

Gross profit decreased by 1.0% to \$142 million. Operating costs increased a modest 4.0% primarily due to increased staff costs resulting from approved out-of-scope salary increases combined with implementation costs for the new *Alcohol Control Act*. This resulted in a 1.3% or \$1.6 million decrease in net income to \$122.2 million.

Personnel

The breakdown of the number of staff as of March 31, 1989 was:

	Permanent	Part-time
General		
Administration	7	—
Retail Operations	195	242
Corporate		
Services	13	5
Finance	20	4
Products and		
Merchandising	7	1
Information		
Systems	9	1
Distribution	18	2
Liquor Licensing	22	2
	<u>291</u>	<u>*257</u>

* equivalent — 110.

Our collective agreement expired March 26, 1988.



Permits Issued

	1984/85	1985/86	1986/87	1987/88	1988/89
Brewers Permits	3	3	3	3	3
Brewers Hospitality Suite Permits	4	4	4	3	3
Distillers Permits	1	1	1	1	0
Permits to Druggists, Physicians, etc.:					
— Druggists' sale and compounding permits	10	13	8	8	8
— Physicians' professional use	3	3	6	6	8
— Manufacturing and Scientific purposes	30	28	36	38	41
Permits to persons engaged in business of selling church supplies					
— sacramental wine	2	2	3	3	2
Permits issued:					
Individual and Organization — Non sale of liquor	12,490	12,496	12,268	11,897	11,281
Organization — sale of liquor	18,112	18,113	18,232	17,933	17,247
Community Event	438	480	473	481	556
	<u>31,093</u>	<u>31,143</u>	<u>31,034</u>	<u>30,373</u>	<u>29,149</u>



Licensing Statistics

Statement of Local Option Votes

There were no local option votes held during the 1988-89 licensing year.

Statement of Licenses

Type of License	Issued	Ownership Change	Terminated/Expired and Surrendered				Licenses in Effect	
			Seasonal and Interim	Close of Business	Premise Destroyed	Cancelled by Commission	March 31 1989	March 31 1988
Restaurants	42	—	7	5	—	—	30	34
Beverage Room								
— Hotel	581 (Note 1)	32	54	13	4	—	478	489
— Restaurant	6	—	—	1	—	—	5	6
Dining Room	929	71	132	26	3	—	697	653
Cocktail Room	486	40	67	12	—	—	367	343
Club (liquor)	162	—	27	—	—	—	135	127
Canteen (liquor)	65	—	3	—	—	—	62	62
Northern Outfitter's	7	—	7	—	—	—	—	—
Totals	2,278	143	297	57	7	—	1,774	1,714

Note (1) All hotel beverage room licencees were also issued an off-sale beer license.

Suspensions:

- 6 Beverage Room Licenses
- 1 Off Sale License
- 2 Dining Room Licenses
- 2 Cocktail Room Licenses

Statement of Applications Received

Type of License	Received and Carried Over From 1987-1988	Issued	Refused	Withdrawn By Applicant	Pending March 31, 1989
Restaurant	40	39	—	—	1
Beverage Room					
— Hotel	552	541	—	1	10
— Restaurant	6	6	—	—	—
Dining Room	849	821	—	5	23
Cocktail Room	451	436	—	4	11
Club (Liquor)	165	162	1	—	3
Canteen (Liquor)	66	65	—	—	1
Northern Outfitter's	8	7	—	—	1

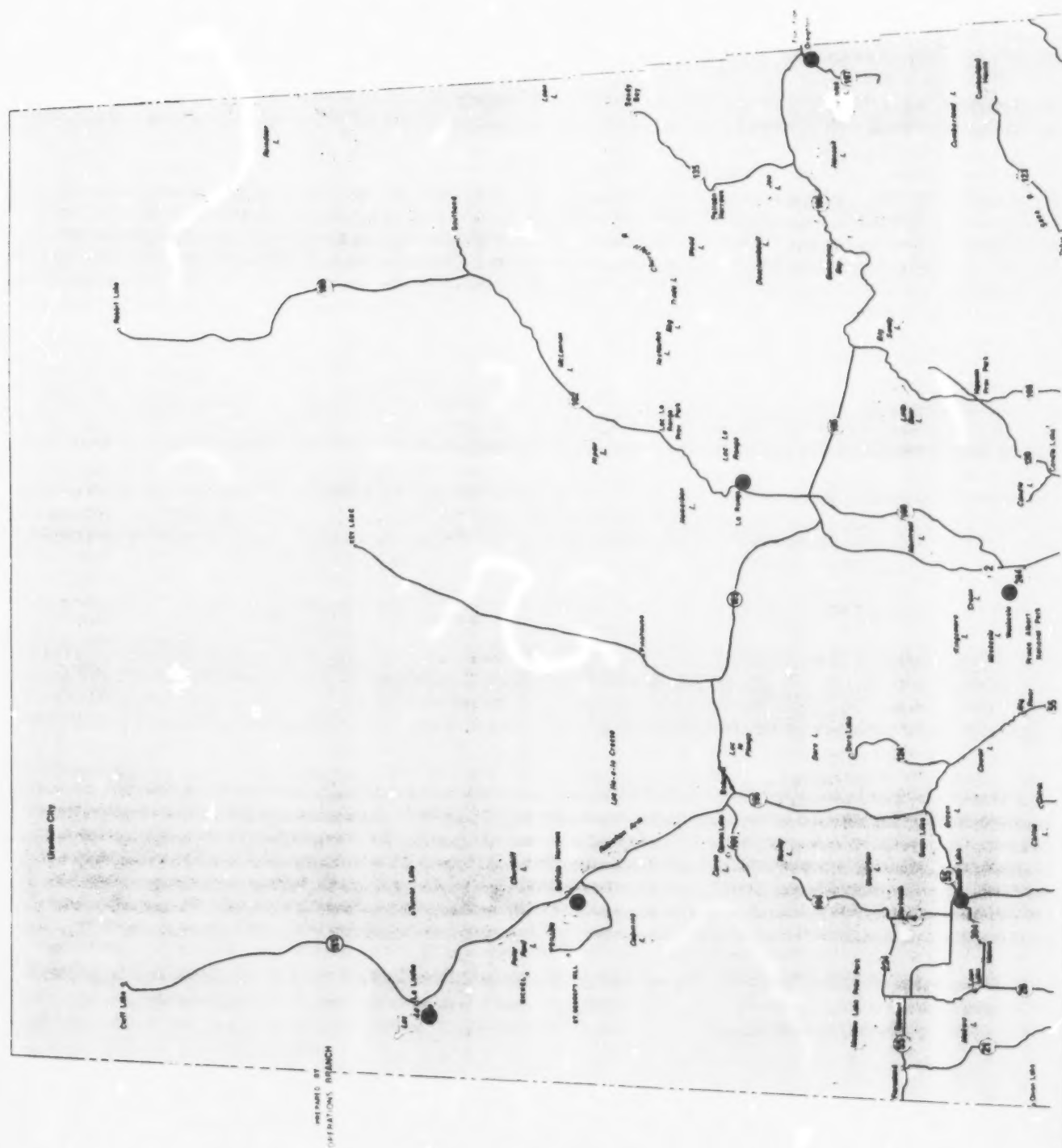


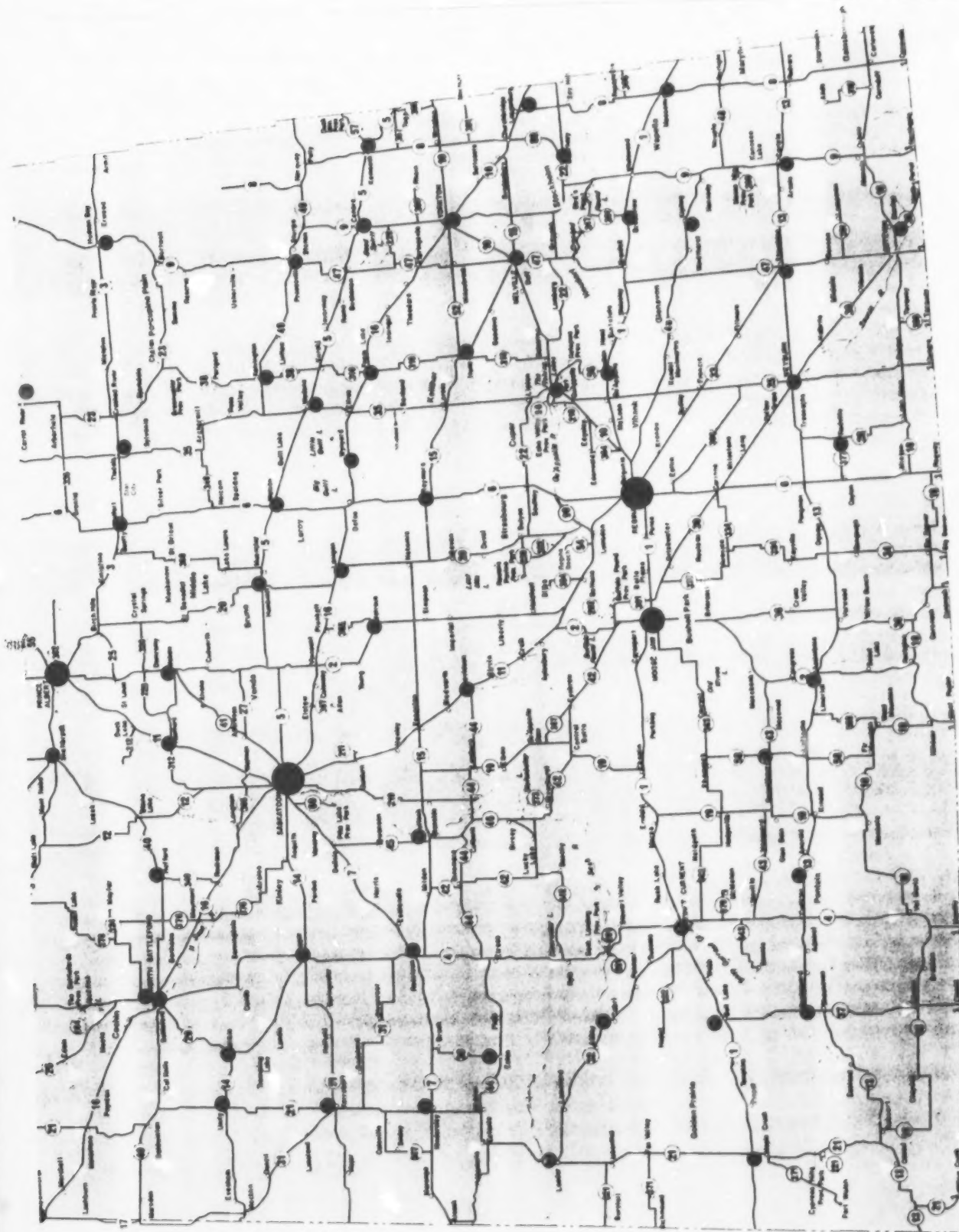
Franchise Outlets as at March 31, 1989

Abbey	Eastend	Macklin	St. Brieux
Admiral	Eatonia	MacNutt	Saltcoats
Allan	Edam	Maidstone	Sedley
Alsask	Elbow	Mankota	Shell Lake
Alvena	Elrose	Marsden	Simpson
Arborfield	Emma Lake	Maryfield	Southey
Arcola		Mayfair	Spiritwood
Avonlea	Fillmore	Meskanaw	Spy Hill
	Fox Valley	Midale	Star City
Balcarres		Middle Lake	Stockholm
Balgonie	Gainsborough	Milden	Strasbourg
Beechy	Glaslyn	Milestone	Sturgis
Bengough	Glenavon	Minton	
Big River	Golden Prairie	Mistatim	Theodore
Birch Hills	Goodeve	Montmartre	Togo
Bjorkdale	Goodsoil	Moose Jaw C.F.B.	Torquay
Blaine Lake	Govan	Morse	Tramping Lake
Bruno	Grayson	Mossbank	Turtleford
Buchanan	Grenfell		
Burstall		Naicam	Val Marie
	Hanley	Neudorf	Vanguard
Cabri	Harris	Nokomis	Vibank
Candle Lake	Hodgeville	Norquay	Viscount
Carnduff	Holdfast		Vonda
Central Butte		Ogema	
Ceylon	Imperial	Oxbow	Wapella
Chaplin	Invermay		Wawota
Choiceland		Paddockwood	Weirdale
Churchbridge	Kelliher	Pelly	Whitewood
Climax	Kenaston	Pense	Willow Bunch
Cochin	Kenosee Lake	Perdue	Wishart
Coleville	Kinistino	Pierceland	Wolseley
Colonsay	Kyle	Porcupine Plain	Wroxton
Consul			
Coronach	Lafleche	Quill Lake	Young
Craik	Lake Lenore		
Crane Valley	Lampman	Rabbit Lake	
Cudworth	Landis	Radisson	
Cupar	Langham	Redvers	
Cut Knife	Lashburn	Regina Beach	
	Leask	Rhein	
Debden	Lemberg	Riverhurst	
Delisle	Leoville	Rocanville	
Dinsmore	Leroy	Rockglen	
Doddsland	Loon Lake	Rose Valley	
Domremy	Lucky Lake	Rouleau	
Dorintosh	Lumsden		
Duck Lake	Luseland		
Dundurn			

Total Number = 160





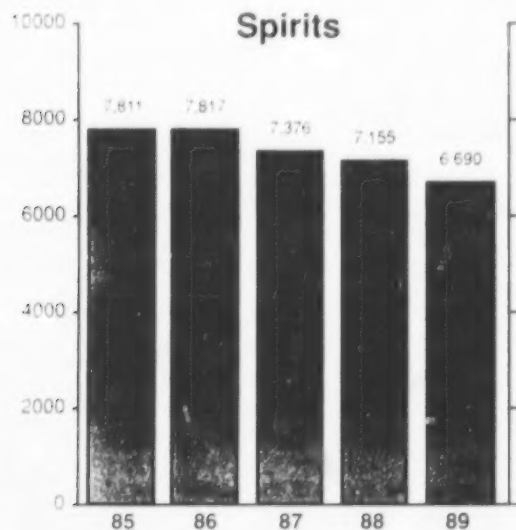


● Liquor Board Stores
● Franchises

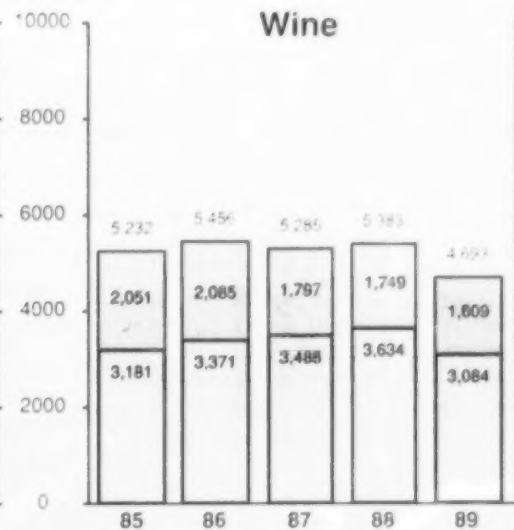
Sales

Volume of Sales - 5 Year History

000's Litres



000's Litres

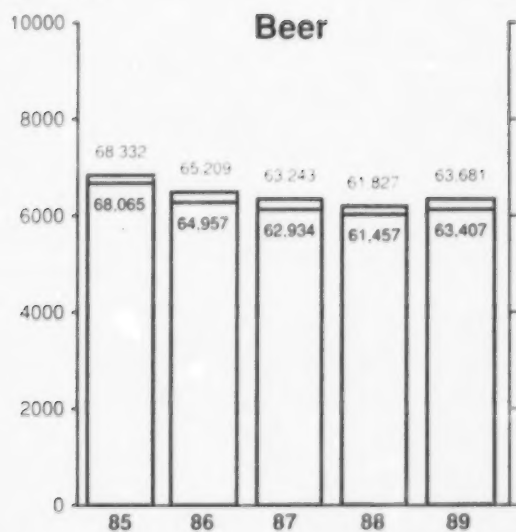


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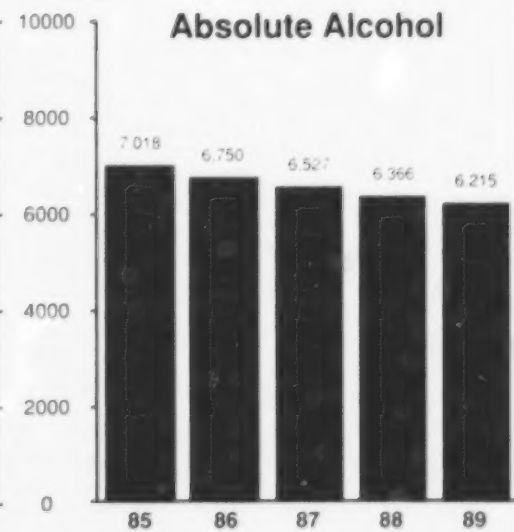
Canadian

Wine includes
wine and spirit coolers
which are less than 6.5%
alcohol by volume.

000's Litres



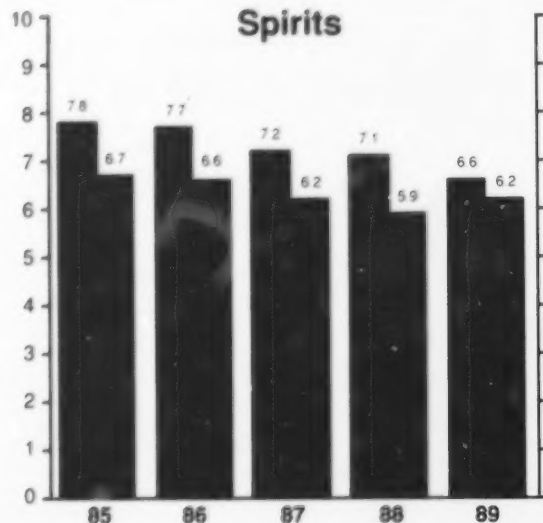
000's Litres



Per Capita Consumption - 5 Year History

Litres

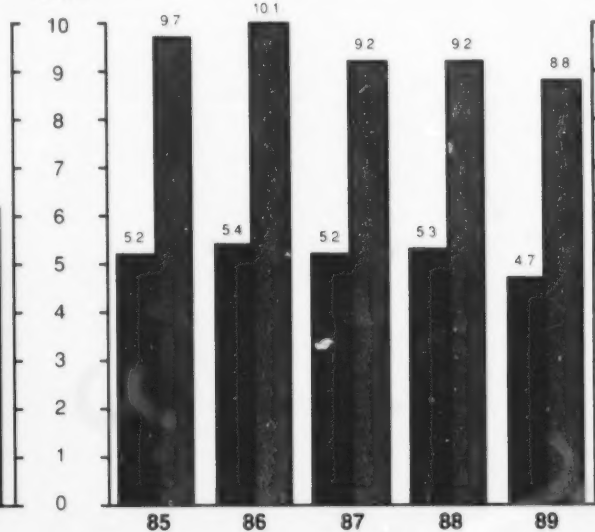
Spirits



Fiscal Year Ending March 31

Litres

Wine



Fiscal Year Ending March 31

Saskatchewan



Canada

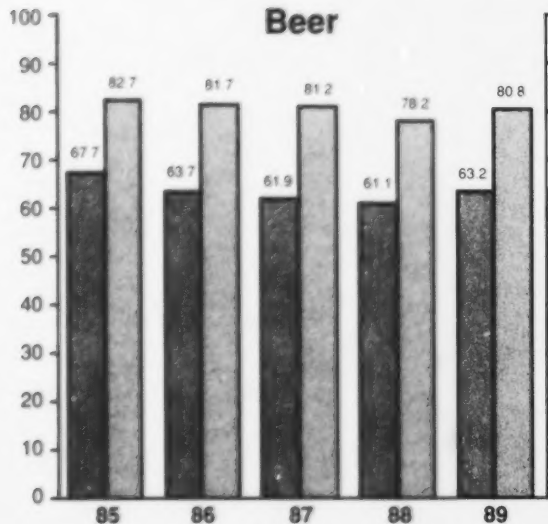


NOTES: These are actually per capita sales figures.
True consumption figures are unobtainable.

The weighted average alcohol content was
used to convert spirits, wine and beer to
absolute alcohol.

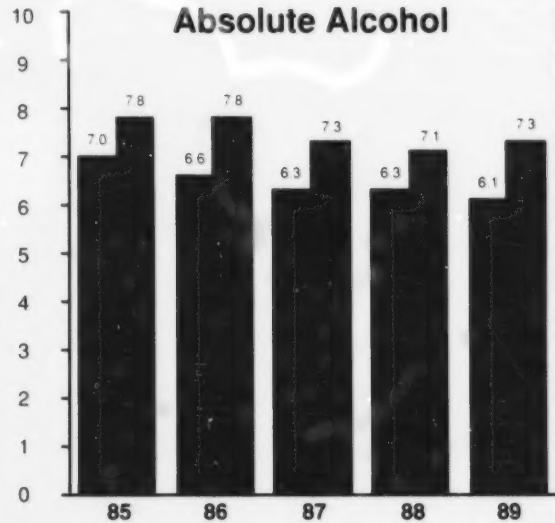
Litres

Beer

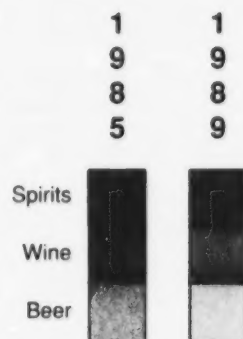
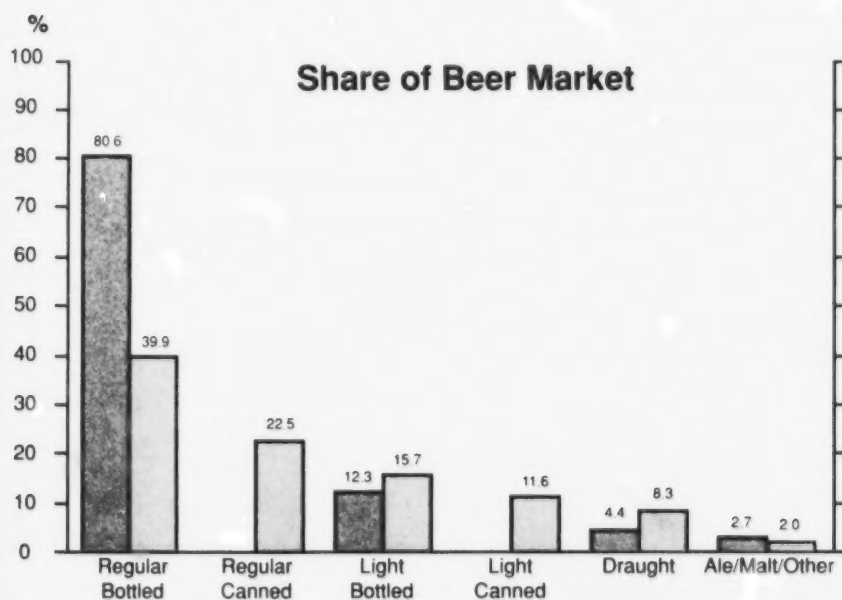
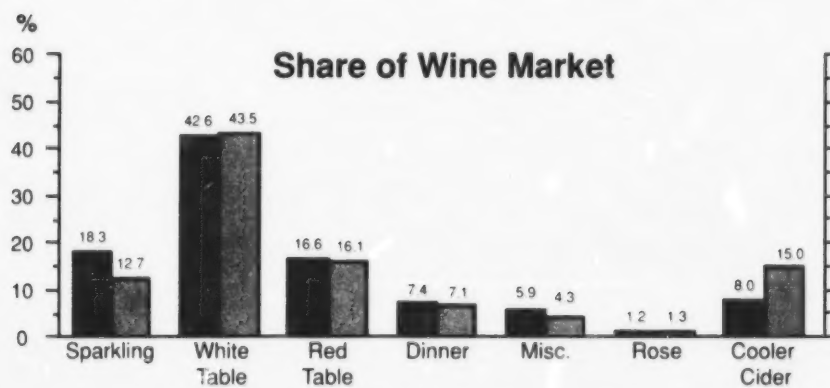


Litres

Absolute Alcohol



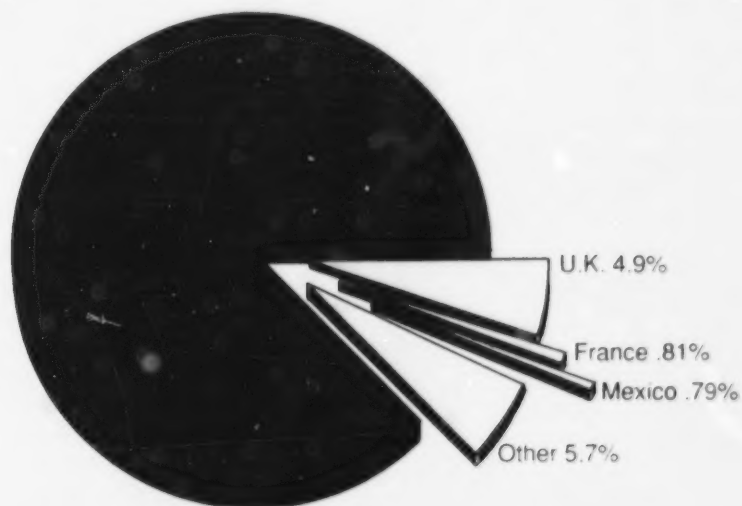
Sales Trends



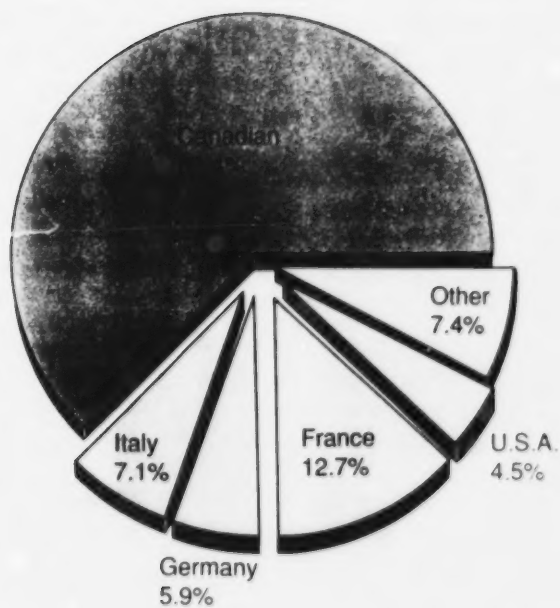
There are no comparison bars for canned beer because it was only introduced in 1989



Spirits by Origin

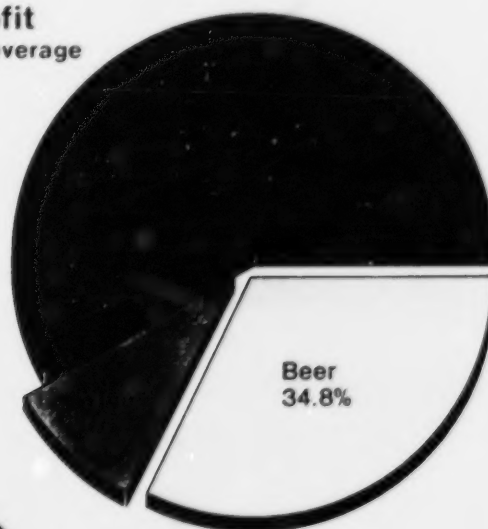


Wine by Origin

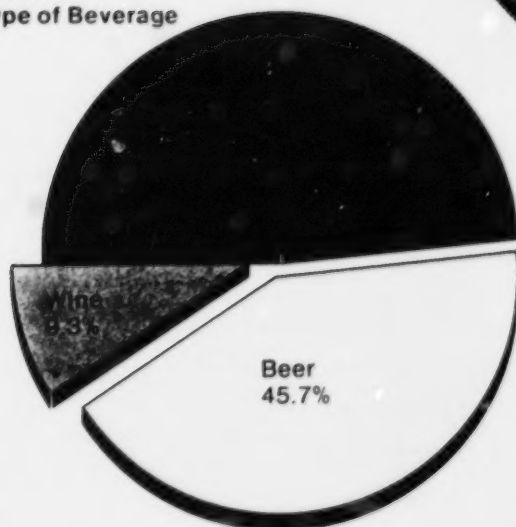


Revenue

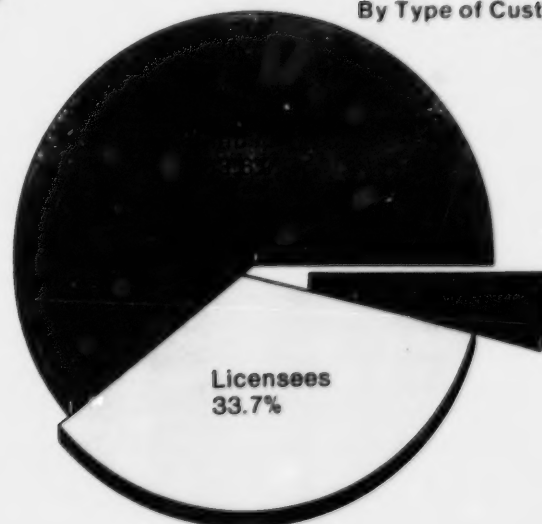
Gross Profit
By Type of Beverage

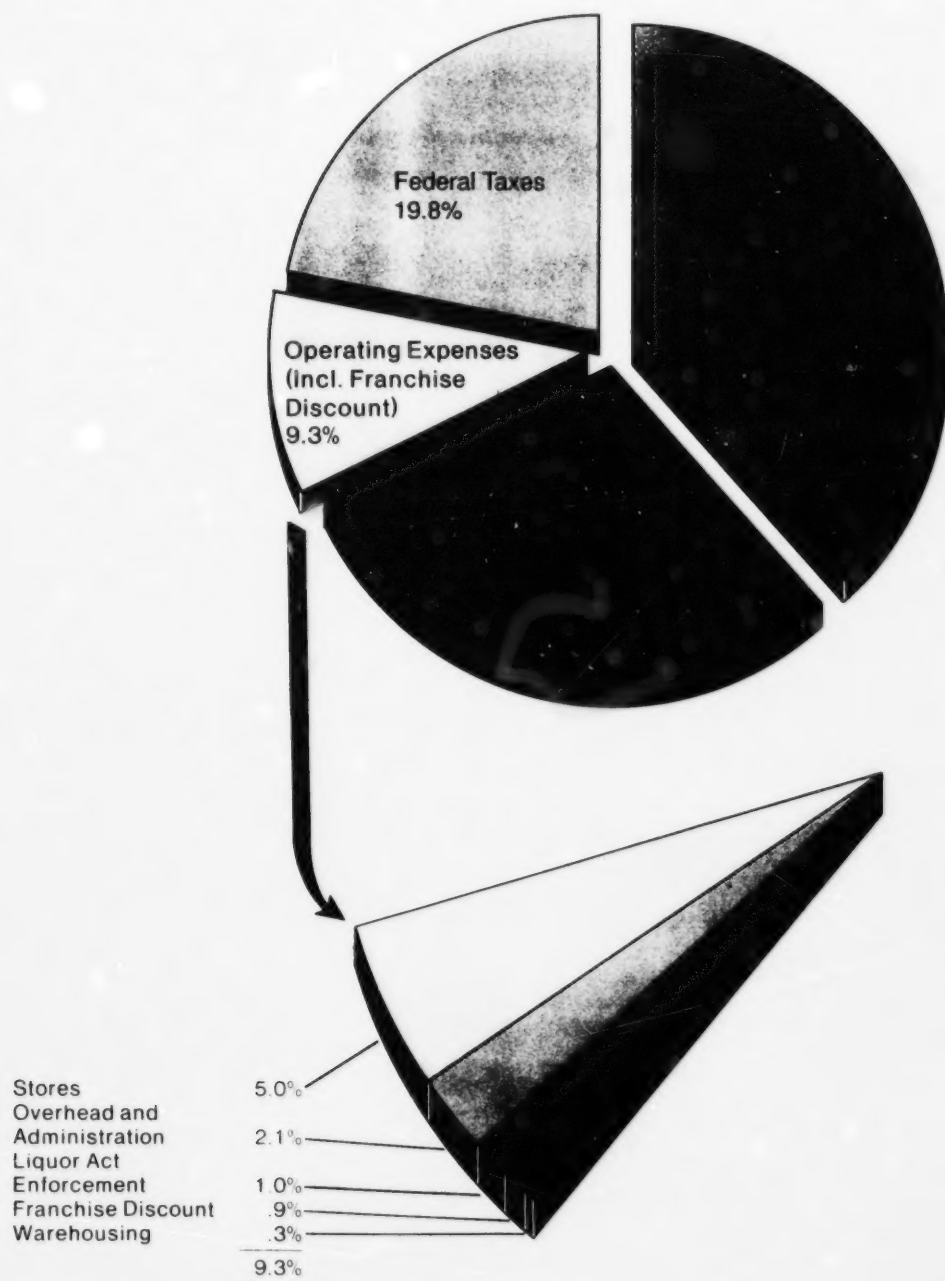


Revenue
By Type of Beverage



Revenue
By Type of Customer



Application of Revenue

Schedule of Sales by Liquor Stores

for the year ended March 31, 1989

Location	Store Number	Wines & Spirits	Beer	Total
Assiniboia	519	\$ 1,012,193	\$ 310,422	\$ 1,322,615
Battleford	522	932,924	380,945	1,313,869
Biggar	525	657,126	203,892	861,018
Broadview	586	306,301	143,145	449,446
Buffalo Narrows	606	359,315	373,187	732,502
Canora	536	981,177	234,667	1,215,844
Carlyle	554	690,389	283,443	973,832
Carrot River	601	391,259	194,592	585,851
Creighton	542	1,183,513	198,830	1,382,343
Davidson	555	421,678	174,208	595,886
Esterhazy	556	875,870	321,042	1,196,912
Estevan	520	2,133,309	413,845	2,547,154
Eston	602	297,756	84,703	382,459
Foam Lake	597	590,747	159,431	750,178
Fort Qu'Appelle	553	1,168,292	367,076	1,535,368
Gravelbourg	518	497,969	191,982	689,951
Gull Lake	516	343,945	96,809	440,754
Hafford	595	303,377	81,762	385,139
Hudson Bay	545	735,188	252,163	987,351
Humboldt	515	1,499,230	563,484	2,062,714
Indian Head	543	569,592	208,438	778,030
Ituna	531	446,856	97,213	544,069
Kamsack	512	849,418	263,124	1,112,542
Kelvington	541	525,096	120,987	646,083
Kerrobert	537	345,302	131,797	477,099
Kindersley	523	1,381,495	501,817	1,883,312
Kipling	528	399,072	144,934	544,006
La Loche	567	398,157	594,993	993,150
La Ronge	588	1,723,999	677,725	2,401,724
Langenburg	563	342,152	129,643	471,795
Lanigan	564	456,669	156,963	613,632
Leader	551	356,874	127,371	484,245
Lloydminster	548	643,475	138,997	782,472
Maple Creek	521	719,075	274,059	993,134
Meadow Lake	532	1,467,238	716,055	2,183,293
Melfort	524	1,417,945	503,017	1,920,962
Melville	514	1,359,189	318,643	1,677,832
Moose Jaw:				
100 Fairford St. W.	506	4,527,921	1,586,810	6,114,731
510 4th Ave. S.W.	562	1,203,334	437,495	1,640,829
Total Moose Jaw Stores		5,731,255	2,024,305	7,755,560
Moosomin	547	667,957	265,800	933,757
Nipawin	534	1,365,493	373,786	1,739,279
North Battleford	509	2,971,469	980,759	3,952,228
Outlook	576	512,157	214,758	726,915
Ponteix	579	305,494	118,395	423,889
Preeceville	605	643,542	167,673	811,215
Prince Albert:				
554 17th St. W.	507	3,353,502	970,924	4,324,426
South Hill Shopper's Mall	546	4,968,801	2,130,782	7,099,583
Total Prince Albert Stores		8,322,303	3,101,706	11,424,009



Schedule of Sales by Liquor Stores — continued

for the year ended March 31, 1989

Location	Store Number	Wines & Spirits	Beer	Total
Radville	529	246,906	95,383	342,289
Raymore	568	426,382	118,618	545,000
Regina:				
Park St. & 10th Ave. E.	500	6,835,081	—	6,835,081
Broadway Shopping Centre ..	501	3,056,943	1,160,411	4,217,354
Normanview Shopping Centre	502	2,670,061	1,355,098	4,025,159
1881 Broad Street	526	2,495,217	780,515	3,275,732
North Albert Street	550	6,827,194	3,471,341	10,298,535
South Albert Street	557	7,344,444	1,958,921	9,303,365
1165 Pasqua Street	560	2,965,918	1,632,721	4,598,639
1702 Park St.	569	3,329,343	1,834,051	5,163,394
188 University Park Drive	575	1,802,694	798,803	2,601,497
Total Regina Stores		37,326,895	12,991,861	50,318,756
Rosetown	544	869,655	369,741	1,239,396
Rosthern	513	417,324	186,405	603,729
Saskatoon				
401 20th St. W.	503	1,488,445	897,247	2,385,692
1935 1st Ave. N.	504	6,636,032	—	6,636,032
2325 Preston Ave.	559	5,236,748	1,870,117	7,106,865
124 3rd Ave. N.	565	3,997,724	1,002,964	5,000,688
1701 Idylwyld N.	566	2,483,904	1,113,564	3,597,468
134 Primrose Dr.	570	3,980,752	1,671,540	5,652,292
Confederation Plaza	571	5,704,164	2,950,752	8,654,916
Sutherland	572	1,865,273	887,026	2,752,299
Grosvenor Park	573	3,819,715	1,355,573	5,175,288
14-2605 Broadway Avenue. ...	574	1,132,262	506,681	1,638,943
Total Saskatoon Stores		36,345,019	12,255,464	48,600,483
Shaunavon	517	604,429	218,384	822,813
Shellbrook	600	474,471	217,338	691,809
St. Walburg	539	339,170	149,828	488,998
Stoughton	604	260,084	76,197	336,281
Swift Current	510	3,008,513	1,244,050	4,252,563
Tisdale	538	1,024,127	510,130	1,534,257
Unity	599	631,072	220,348	851,420
Wadena	558	703,160	182,783	885,943
Wakaw	540	361,599	157,970	519,569
Waskesiu (summer only)	533	325,018	187,774	512,792
Watrous	530	638,574	237,814	876,388
Watson	549	412,275	147,588	559,863
Weyburn	511	1,986,169	717,644	2,703,813
Wilkie	527	417,815	155,578	573,393
Wynyard	535	659,685	195,758	855,443
Yorkton	508	3,711,396	1,039,909	4,751,305
Spec. Ord.		586,681	1,575	588,256
Less: Drug Discounts		— 169	—	— 169
Total		<u>\$141,079,082</u>	<u>\$49,060,726</u>	<u>\$190,139,808</u>



Schedule of Purchases

Wines and Spirits Purchased

for the Year Ended March 31, 1989

Purchased from	Address	\$
Canada		
Alberta Distillers Limited	Vancouver, British Columbia	1,095,865
Andres Wines (Alberta) Limited	Calgary, Alberta	647,331
Baker, Jack, Distillers Ltd.	Toronto, Ontario	1,214
Barnes Wines Limited	St. Catharines, Ontario	59,530
Bright, T. G. & Company Limited	Niagara Falls, Ontario	1,033,514
Calona Wines Limited	Kelowna, British Columbia	1,639,468
Casabello Wines Limited	Penticton, British Columbia	24,996
Chateau-Gai Wines	Calgary, Alberta	839,633
Chateau-Gai Wines Limited	Niagara Falls, Ontario	196,387
Corby Distillers Limited	Corbyville, Ontario	3,722,305
De Kuyper, John & Son	Montreal, Quebec	20,888
Demonty & Robinson Agency	Vancouver, British Columbia	6,948
Distilleries Melville	Laval, Quebec	25
F. B. M. Distillery Co. Ltd.	Brampton, Ontario	1,824,299
Gibson Canada Inc.	Montreal, Quebec	224,119
Gilbey Canada Inc.	Toronto, Ontario	2,579,498
Gilbey Canada (Cinzano)	Toronto, Ontario	11,295
Gilbey Can Sempe Armagnac	Toronto, Ontario	1,042
Hanschell Inniss Ltd.	St. John's, Newfoundland	24,645
Highwood Distillery	High River, Alberta	14,876
Hillebrand Estates Winery	Niagara-on-the-Lake, Ontario	1,280
Hudson's Bay Distillers Ltd.	Toronto, Ontario	6,684
Inniskillin Wines Inc.	Niagara Falls, Ontario	7,511
John Walker & Sons	Toronto, Ontario	19,236
Les Distilleries Dumont Ltee	Rougemont, Quebec	390
Les Vignobles Chanteeler L.	Rougemont, Quebec	8,278
Lewis Brothers Winery	Grande Prairie, Alberta	11,493
London Winery Limited	London, Ontario	87,077
Lothar Heinrich	Surrey, British Columbia	1,845
Mara, William, Company	Belleville, Ontario	1,337
Mark Anthony Wine Merchants	Vancouver, British Columbia	140,439
McGuinness Distillers Limited	Toronto, Ontario	1,754,100
Meagher's Distillery Ltd.	Montreal, Quebec	1,144,563
Mission Hill Vineyards, Inc.	Westbank, British Columbia	318,447
Okanagan Cider Co. Ltd., The	Westbank, British Columbia	4,810
Palliser Distillers Limited	Toronto, Ontario	232,239
Park & Tilford Canada Inc.	Montreal, Quebec	83,166
Paul Masson & Co. Limited	Beamsville, Ontario	487,885
Potter Distillers Ltd.	Langley, British Columbia	206,406
Rieder Distillery Ltd.	Grimsby, Ontario	3,930
Rumark Rums Canada Ltd.	Toronto, Ontario	50,645
Schenley Canada Inc.	Montreal, Quebec	1,768,180
Seagram Company Ltd., The	Gimli, Manitoba	3,113,955
Tia Maria	Walkerville, Ontario	81,029
Vineland Estate Wines	Vineland, Ontario	513
Vintage Consultants	Vancouver, British Columbia	13,753
Walker, Hiram & Sons Limited	Walkerville, Ontario	2,200,077
Waterloo Agencies Ltd.	Montreal, Quebec	39,430
		\$25,756,576



Wines and Spirits Purchased — Continued

for the Year Ended March 31, 1989

Purchased from	Address	\$
Australia		
EMU Wine Company	Mile End	27,741
Lindemans Wines Pty. Limited	Lidcombe	20,604
Mildara Wines Limited	Victoria	3,552
Orlando Wines	Adelaide	3,664
Penfolds Wines Pty. Limited	Magill	9,713
Renmand Wines	Berri	8,884
Rosemont Estates	Artamon	6,710
Seppelt, B. & Sons Limited	Adelaide	82,284
		<u>\$163,152</u>
Austria		
Karl Gurtler	Vienna	1,770
Klosterkeller Siegendorf	Burgenland	123
Moser, Lenz GmbH	Krems	5,721
Steirische Brauindustrie	Reininghausstrabe	1,538
		<u>\$9,152</u>
Chile		
Vina Concha Y Toro S.A.	Santiago	15,137
		<u>\$15,137</u>
Denmark		
Danish Distillers	Copenhagen	3,053
Jacobsen, J.J. Co. Ltd. A/S	Odense	2,983
Svendborg Vinkompagni A.M.B.A.	Copenhagen	2,376
		<u>\$8,412</u>
England		
Berry Bros. & Rudd Limited	London	17,970
Burrough, James Limited	London	47,615
Catto, James & Company Limited	London	53,239
Findlater, Mackie, Todd & Co.	London	4,792
Harvey, John & Sons Limited	Bristol	39,044
Justerini & Brooks Limited	London	74,980
Neelwell	Devon	4,523
Tanqueray, Charles & Co. Limited	London	18,426
United Rum Merchants Ltd.	West Sussex	268,501
		<u>\$529,090</u>
France		
A. Moueix & Fils	Cedex	149
Baron De Sigognac	Cazaubon	21,227
Barton & Guestier	Bordeaux	123,957
Benedictine	Paris	22,559
Bergerie, La	Pauillac	76,059
Borie-Manoux	Bordeaux	4,623
Bouchard Aine & Fils	Cedex	45,772
Calvados Boulard	Yvetot	1,036



Wines and Spirits Purchased — Continued

for the Year Ended March 31, 1989

Purchased from	Address	\$
Calvet, J. & Cie	Cedex	3,967
Castel Freres	Blanquefort	741
Cave Vinicole De Beblenheim	Beblenheim	2,060
Champagne Lanson	Cedex	2,228
Chapoutier, M.S.A.	L'Hermitage	2,710
Chateau De La Gardine	Vaucluse	14,936
Chauvenet, F.	Cote D'Or	2,672
Cognac Otard S.A.	Cognac	7,915
Cointreau	Cedex	19,654
Courvoisier International	Jarnac	43,380
Crus & Domaines De	Bordeaux	15,497
Cruse & Fils Freres	Cedex	3,797
De Neuville	Cedex	11,216
Domaine Laroche	Bordeaux	5,269
Dopff	Riquewihr	361
Drouhin, Joseph	Beaune	14,012
E. Remy Martin & Co. S.A.	Cedex	44,496
Eschenauer, Louis	Cedex	21,125
Etablissemments Noilly Prat	Cedex	5,440
Gabriel Boudier	Cedex	1,325
Gaston De Lagrange S.A.	Saint Ouen	1,319
G.F.A. Du Mas Sainte-Berthe	Les Baux de Provence	6,197
Gilbey De Loudenne S. A.	Lesparre	11,396
Giraud, Robert S. A.	Girande	7,286
Grands Armagnacs Elusates	Eauze	173
Heidsieck Henroit, Charles S.A.	Cedex	3,602
Hennessy, James & Company	Cognac	43,166
Henri De Villamont	Savigny	7,071
Henri Bouachion	Chateaneuf-du-Pape	9,858
Hugel Et Fils	Riquewihr	1,368
Jaboulet Maison, Isnard	L'Hermitage	1,324
Jaffelin, Maison	Cedex	3,299
Kressman, Ed & Company	Cedex	88,828
L. De Salignac & Cie	Jarnac	10,500
La Compagnie Maisonneuve	Bordeaux	10,892
Laine, Jules & Company	Cognac	18,304
Lamblin & Fils	Chablis	6,152
Les Vins Georges Duboeuf	La Chapelle De Guinchay	15,082
Lichine, Alexis & Company	Bordeaux	3,939
Lupe-Cholet	Beaune	3,763
Maison Albert Bichot	Cedex	9,117
Maison Bouchard Pere	Cedex	5,917
Maison Louis Latour	Cedex	8,996
Maison Prunier S.A.	Cedex	583
Maison Tarride Ledroit & Cie	Bordeaux	69,996
Maison, Sichel	Cedex	29,313
Marnier-Lapostolle	Paris	331,122
Martell & Co.	Cedex	2,385



Wines and Spirits Purchased — Continued

for the Year Ended March 31, 1989

Purchased from	Address	\$
Mau, Yvone & Fils	Gironde-Sur-Dropt	5,725
Moët & Chandon	Epemay	52,285
Mommessin, S. A.	Cedex	32,805
Moreau, J. et Fils	Chablis	14,683
Mousset, Louis S.A.	Orange	20,942
Mumm, G. H. & Cie	Cedex	44,533
P. Thevenin	Cedex	356
Piat Pere & Fils	La Chapelle De Guinchay	502,814
Producteurs Placmont	Riscle	3,082
Raoul Clerget	Meursault	426
Raynal & Cie	Cognac	5,018
Reau Richard & Cie	Cognac	2,679
Remy — Pannier	Cedex	2,622
Rodet, Antonin	Mercurey	7,104
Roedere, Louis Champagne S. A.	Cedex	9,659
Roger, Champagne Pol	Cedex	9,181
Ropiteau Freres	Cote D'Or	483
SAEGB	Cedex	674
S.E.G.M. Dubonnet International	Paris	36,089
S.E.M.A.V.	Bordeaux	9,741
Sainte Odile	Obernai	352
Sapin, Paul	Belleville	5,075
Schroder & Schyler & Cie	Cedex	11,869
Sica Vinicole	Cedex	146
Somacvins	Lespignan	3,881
Sovimex	Paris	2,860
Thorin S.A.	La Chapelle De Guinchay	11,534
Turpin Freres & Riout	Bordeaux	5,847
Union Des Vignerons Des Cotes	Tulette	3,560
Vernaux, Moemie	Cedex	5,510
Veuve-clicquot-Ponsardin, S. A.	Cedex	6,897
Vincoble Export	Bordeaux	1,909
Wolfberger	Alsace	2,777
		\$2,052,249
Germany		
Asbach & Company	Ruedesheim	1,649
Black Tower	Bingen/Rhein	10,287
Deinhard & Company, K.G.A.A.	Koblenz	18,792
Doornkaat	Norden	1,032
Drathen, Ewardl Theod. K.G.	Mosel	6,424
Emil Hammel & Cie	Kirchem/Weinstr	9,598
Export Union	Nieder Olm	5,096
Gebietswinzer-genossenschaft	Reitberg	323
Guntrum, Louis Weinkellerei	Rheinalle	34,234
Hegemann & Co. GMBH	Liewen/Mosel	1,752
Henkell & Company	Weisbaden	28,560
I. Kesselher	Heidenrod 6	4,306
I.B. Berentzen	Haselunne	6,104



Wines and Spirits Purchased — Continued

for the Year Ended March 31, 1989

Purchased from	Address	\$
Keller-Geister-Kellerei Hannese & Co. KG	Briedern-Mesenich/Mosel	3,048
Kellereien F. W. Langguth Erben GmbH & Co. K.G.	Traben-Trarbach/Mosel	9,187
Kendermann, Hermann G.M.B.H.	Bingen/Rhein	123,226
Langenbach & Co. G.M.B.H.	Worms	2,830
Lorch Weinkellerei, Weingut	Weinstrasse	6,846
Mo. Rhe Na GMBH	Traben-Trarbach	5,388
Muller, Rudolf G.M.B.H. & Co. KG	Reil/Mosel	7,907
Nordhaus GMBH	Wilhelmstr	4,126
Pieroth, Ferdinand Weingut-Weinkellerei	Rhein	4,878
Racke, A.	Mainz/Rhein	7,621
Racke International	Mainz	17,861
Reh, Franz & Sohn G.M.B.H. K.G.	Leiwen/Mosel	6,353
Rheinberg Kellerei G.M.B.H.	Bingen Am Rhein	72,683
Riemerschmid, Anton	Munchen	512
Schlink, Gunther, KG	Bad Kreuznach	311
Schmitt'sches, Gustav Adolf Weingut ...	Nierstein Am Rhein	131,631
Schneider, Michel Nachf	Zell-Merl/Mosel	12,058
Scholl & Hillebrand	Geisemheimerstr	1,725
Sichel, Sohne, H. G.M.B.H.	Alzey	91,854
St. Johanner Weinkellerei	St. Johann	4,606
St. Ursula	Bingen	31,806
Valckenberg, P. J.	Worms	4,499
Weinkellerei Wallersheim	Koblenz Rhein	5,502
Zentralkellerei Badisher	Koblenz	7,036
		<u>\$691,651</u>
Greece		
Achaia-Clauss Wine Company Limited ..	Patras	25,800
Boutari, John & Son S.A.	Thessaloniki	7,600
Courtakis	Athens	61,541
Metaxa, S. & E. & A. Distilleries S.A.	Athens	33,565
Societe Hellenique S.A.	Athens	935
Union Des Co-operatives	Samas	300
		<u>\$129,741</u>
Holland		
Bols Nederland B.V.	Amsterdam	29,471
Verbrent	Nederland	1,312
		<u>\$30,783</u>
Hungary		
Egervin	Szechenyi	4,844
		<u>\$4,844</u>



Wines and Spirits Purchased — Continued

for the Year Ended March 31, 1989

Purchased from	Address	\$
Ireland		
Bailey, R & A & Co. Ltd.	Dublin	293,102
Bushmills Distillery, The Old	Northern Ireland	9,165
Carolan, T. J. & Son Ltd.	Tipperary	37,556
Channel Island Cream	Channel Islands	6,918
Irish Distillers	Dublin	5,379
Irish Mist Liqueur Co. Ltd., The	Tullamore	7,988
O'Darby, J. J. Limited	Douglas Cork	95,176
R. J. Emmet	Dublin	11,850
		\$467,134
Italy		
Agricola Alegrini	Verona	595
Azienda Agricola	Siena	479
Barberani	Orvieto	252
Barbero	Canale	8,768
Bersano, Antico Podere	Asti	192
Buton, Gio & C.S.P.A.	Bologna	154
Cantina Sociale Colli Albani	Roma	53,315
Cantina Terre Del Barola	Pie Monte	717
Cantine Giorgio Lungarotti, S.P.A.	Perugia	4,375
Casa Vinicola Barone Ricasoli	Firenze	3,837
Casa Vinicola Duca Salaparuta	Palermo	3,531
Castello Di Volpaia	Siena	718
Castiglione Del Bosco	Siena	306
Chiarli — 1860 (S.R.L.Pr.I.V.I.)	Modena	11,775
Coltiva S.C.R.L.	Modena	16,456
Consorzio Produttori Vini Di Velletri	Bingen/Rhein	13,000
Diego, Rallo & Figli	Marsala	1,180
Distillerie Stock S.P.A.	Trieste	7,675
Fabat S.P.A.	Roma	2,531
Fontanafredda	Torino	2,494
Frescobaldi, Marchesi, De	Florence	26,239
Gancia, F.LLI&C. Savas Ind. SPA	Torino	7,123
Girolamo Luxardo, S.P.A.	Dante-Padova	25,382
Gruppo Italinao Vini S.P.A.	Verona	68,115
I.L.L.V.A. Saronno S.P.A.	Saronno	46,451
Jannamico Michele	Abruzzi	15,034
Marchesi L.E.P. Antinori	Florence	12,812
Martini & Rossi, I.V.L.A.S.	Torino	66,887
Premiovini S.P.A.	Brescia	205
Ramazzotti S.P.A.	Milan	2,720
Ruffino, I.L.	Brescia	16,372
S.V.I.P.	Verona	9,622
Salvalai Alessandro & C.S.P.A.	Brescia	1,905
Schlosskellerei Turmhof	Schlossweg	1,049
Villa Banfi, S.P.A.	Rome	142,188
Vinattieri	Siena	554
Zonin S.P.A.	Gambellara	1,474
		\$576,482



Wines and Spirits Purchased – Continued

for the Year Ended March 31, 1989

Purchased from	Address	\$
Japan		
Gekkeikan Sake Company Ltd.	Kyoto	4,781
Hakutsuru Sake Brewing Co. Ltd.	Kobe	1,700
		<u>\$6,481</u>
Mexico		
Tequila Sauza S.A. De C.V.	Jalisco	88,278
		<u>\$88,278</u>
Portugal		
Caves Aliance Vinicola	Codex	13,170
Fonseca, J. J., Da	Lisboa	2,100
Henriques & Henriques, LDA	Madiera	2,650
Serra, J. & Sons Ltd.	Lisboa	3,870
Sogrape Sociedade Commerical Dos		
Vinho De Mesa De Portugal, S.A.R.L. ...	Porto	70,070
Taylor Fladgate Yeatman	Nova De Gaia	1,459
Vinicola Do Vale Do Dao LDA	Porto	3,641
		<u>\$96,960</u>
Scotland		
Bass Export Limited	Glasgow	6,342
Bell, Arthur & Sons Limited	Perth	1,398
Chivas Brothers Limited	Paisley	80,346
Drambuie Liqueur Co. Ltd., The	Edinburgh	124,475
Gibsen Scotch Dist. Ltd.	Edinburgh	10,408
Glavya International Ltd.	Edinburgh	18,953
Glenlivet Whisky Co. Ltd., The	Edinburgh	7,844
Grant, William & Sons Limited	Glasgow	38,116
Haig, John & Company Limited	Markinch	9,216
Hill Thomson & Company Ltd.	Edinburgh	24,108
J & G Grant	Banffshire	656
James and George Stodart	Dumbarton	8,395
MacDonald & Muir Ltd.	Edinburgh	1,808
MacNish, Robert & Co. Ltd.	Dumbarton	38,165
Matthew Gloag	Perth	17,139
Ronald Morrison & Co.	Edinburgh	2,247
Scottish & Newcastle Breweries	Edinburgh	16,480
Stewart, J. & G. Ltd.	Edinburgh	30,471
Teacher, Wm. & Sons Ltd.	Glasgow	61,884
United Distillers	Glasgow	146,212
Walker, Hiram & Sons – Scotland	Dumbarton	205,986
		<u>\$850,649</u>
Spain		
Age Bodegas Unidas, S.A.	Fuenmayer	1,814
Al Vear, S.A.	Montilla	1,104
Bodegas Cenalse	Pamploma	12,245
Bodegas J. Sarda S.A.	Castellbisbal	58



Wines and Spirits Purchased — Continued

for the Year Ended March 31, 1989

Purchased from	Address	\$
Bodegas Marques De Caceres	Rioja, Alta	1,903
Bodegas Montecillo S.A.	Cadiz	3,600
Bodegas Montaner S.A.	Barcelona	357
Bodegas Penabla Lopez	Aranda	728
Bodegas Rioja Santiago, S.A.	Madrid	6,255
Bodegas Velazques, S.A.	Cenicero	967
Codorniu, S.A.	Barcelona	21,860
Compania Internacional	Barcelona	386
De Muller S.A.	Tarragona	1,760
Fernando A De Terry S.A.	Puerto De Santa Maria	81
Freixenet, S.A.	Barcelona	15,243
Gonzalez Byass S.A.	Jerez De La Frontera	335
Josep Ma. Rosell Mir	Barcelona	415
Larios, S.A.	Malaga	134
Nadalcava	Barcelona	294
Palomiro & Verqara S.A.	Terez de la Frontera	111
Pedro Domecq S.A.	Terez de la Frontera	428
Perez Barquero S.A.	Montilla	66
Rittos Irmaos LDA	Madrid	1,244
Sandeman, The House of	Cadiz	871
Torres, Miguel	Barcelona	6,676
W & J Graham & Co.	Nova De Gaia	4,240
Williams & Humbert Limited	Cadiz	3,800
		\$86,975
United States		
Andrew Quady	Madera, California	447
Artisan Wine	Napa, California	1,696
Associated Importers Inc.	Detroit, Michigan	462,086
Buena Vista Winery	Sonoma, California	6,717
Brown-Forman International Limited	Louisville, Kentucky	70,738
Canandaigua Wine Company	Canandaigua, New York	17,040
Christian Bros. Sales Co.	St. Helena, California	803
Clos Di Val Wine Company Ltd.	Napa, California	507
Consolidated Distilled Products	Chicago, Illinois	13,502
Enz Vineyards	Hollister, California	889
Federal Distillers Inc.	Cambridge, Massachusetts	23,750
Fetzer Vineyards	Redwood, California	1,244
Galliano International	New York, New York	13,952
Gallo, E. & J. Winery	Modesta, California	226,913
Glen Ellen Winery	Glen Ellen, California	1,507
Guild Wineries & Distilleries	Pittsburg, P.A.	9,494
Heublein International Sales Corp.	New York, New York	19,535
Inbek	San Antonio, Texas	50
J. Wilckens, Inc.	San Antonio, Texas	16,392
James Beam Distilling Company	Chicago, Illinois	3,808
Merchant Du Vn Corp	Seattle, Washington	301
Mirassou Sales Co.	San Jose, California	1,351



Wines and Spirits Purchased — Concluded

for the Year Ended March 31, 1989

Purchased from	Address	\$
Mondavi, Robert Winery	Oakville, California	18,237
Sebastiani Vineyards	San Francisco, California	25,573
Stevenot	Murphys, California	746
Vintners International Company Inc.	Gonzales, California	7,859
White Rock Distilleries	Lewiston, Maine	45,872
Wine Group, The	Ripon, California	1,541
Wine World	St. Helena, California	803
		<u>\$993,353</u>
Other		
AB Vin & Spritcentralen	Stockholm, Sweden	45,000
Agros, Exporters	Warsaw, Poland	18,668
Alko AB	Helsinki, Finland	6,632
Corbans Export Int'l	New Zealand	520
Hiram Walker International	Fribourg, Switzerland	235
J Wray & Nephew Ltd.	Kingston, Jamaica	15,545
Monimpex	Budapest, Hungary	70,513
Slovin	Ljubljana, Yugoslavia	5,237
Societe Co-operative	Bishon-Le-Zion, Israel	1,449
V/O "Sojuzplodo Import"	Moscow, U.S.S.R.	48,736
Vinimpex	Sofia, Bulgaria	29,833
		<u>\$242,368</u>
Total		<u>\$32,799,467</u>

Purchased from Other Liquor Boards:

Alberta Liquor Control Board	52,232
British Columbia Liquor Control Board	26,432
Manitoba Liquor Control Commission	18,387
Newfoundland Liquor Corporation	2,886
Liquor Control Board of Ontario	1,643
	<u>\$ 101,580</u>

Total Wine and Spirits Purchased \$32,901,047



Beer Purchased for the Year Ended March 31, 1989

		\$
Saskatchewan		
Carling O'Keefe Brewery Ltd.	Saskatoon	20,971,404
Labatt's Saskatchewan Brewery Ltd.	Saskatoon	35,017,429
Molson Saskatchewan Brewery Ltd.	Regina	37,716,333
		<u>93,705,166</u>
Canada		
Big Rock Brewery	Calgary, Alberta	492
Imported Beer Company, The	St. Albert, Alberta	4,381
Labatt's Ontario Breweries	Weston, Ontario	4,598
Molson Brewery, B.C. Ltd.	Vancouver, B.C.	1,220
Molson Ontario Breweries Ltd.	Toronto, Ontario	11,189
Molsons Quebec	Montreal, Quebec	310
		<u>22,190</u>
Europe		
Brauerei Beck GMBH & Co.	Bremen, West Germany	16,351
Groesche Bierbrouwerig N.V.	Enschede, Netherlands	14,157
Heineken Brouwerijen B.V.	Rotterdam, Holland	59,149
Krombacker Brauerei	Kreuztal-Krombach	18,199
Kronenbourg, Brasseries	Cedex, France	3,610
Tuborg International	Copenhagen, Denmark	14,069
Warsteiner Brauerei	Warstein, West Germany	4,928
		<u>130,463</u>
United States		
Heileman, G. Brewing Co. Inc.	La Crosse, Wisconsin	2,504
Morelli's Distributing Inc.	Minot, North Dakota	16,158
		<u>18,662</u>
Other		
New Zealand Breweries Ltd.	Auckland, New Zealand	7,334
		<u>7,334</u>
Total Beer Purchased		<u><u>\$93,883,815</u></u>

NOTE: Beer purchased from Saskatchewan brewers includes Federal Sales and excise taxes and is purchased F.O.B. the retail outlet.



Five Year Financial Review

Five Year Financial Review

(Thousands of Dollars)

Sales	1984/85	1985/86	1986/87	1987/88	1988/89
Spirits					
Canadian	122,761	124,997	123,588	126,554	124,416
Imported	19,325	19,445	18,690	18,551	18,173
	<u>142,086</u>	<u>144,442</u>	<u>142,278</u>	<u>145,105</u>	<u>142,589</u>
Wines and Ciders					
Canadian	13,712	14,295	16,310	17,564	14,374
Imported	11,771	12,392	12,956	13,168	12,323
	<u>25,483</u>	<u>26,687</u>	<u>29,266</u>	<u>30,732</u>	<u>26,697</u>
Beer, Ale and Stout					
Canadian	121,960	125,706	130,176	133,022	143,025
Imported	710	715	994	1,180	957
	<u>122,670</u>	<u>126,421</u>	<u>131,170</u>	<u>134,202</u>	<u>143,982</u>
Total Sales					
Canadian	258,433	264,998	270,074	277,140	281,815
Imported	31,806	32,552	32,640	32,899	31,453
	<u>290,239</u>	<u>297,550</u>	<u>302,714</u>	<u>310,039</u>	<u>313,268</u>
Cost of Sales	156,750	161,065	163,769	166,868	171,327
Gross Profit	<u>133,489</u>	<u>136,485</u>	<u>138,945</u>	<u>143,171</u>	<u>141,941</u>
Operating Expenses	25,047	23,836	24,023	24,100	26,414
Operating Income	<u>108,442</u>	<u>112,649</u>	<u>114,922</u>	<u>119,071</u>	<u>115,527</u>
Other Income	3,788	3,923	3,551	4,071	6,677
Net Income	<u>112,230</u>	<u>116,572</u>	<u>118,473</u>	<u>123,142</u>	<u>122,204</u>
Payment to Minister of Finance	<u>71,000</u>	<u>84,000</u>	<u>140,000</u>	<u>—</u>	<u>194,000</u>
Retained Earnings	<u>116,864</u>	<u>149,436</u>	<u>127,909</u>	<u>251,051</u>	<u>180,024</u>

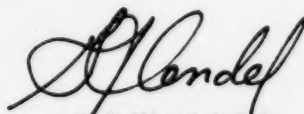
Note: The Saskatchewan Liquor Board and the Liquor Licensing Commission were amalgamated in 1989 under The Alcohol Control Act. Years prior to 1988/89 do not include Liquor Licensing Commission income and expenses.



To the Members of the Legislative Assembly of
Saskatchewan:

I have examined the combined balance sheet of the Saskatchewan Liquor Board and Liquor Licensing Commission as at March 31, 1989 and the combined statements of income and retained earnings and cash flows for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these combined financial statements present fairly the combined financial position of the Board and Commission as at March 31, 1989 and the results of their operations and the changes in their financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.



Regina, Saskatchewan
June 16, 1989

G. F. Wendel, C.A.,
Acting Provincial Auditor.



*Financial Statements***Statement 1 — Combined Balance Sheet as at March 31**

(Thousands of Dollars)

	1989	1988 (Note 12)
Assets		
Current		
Cash and short-term investments, at cost which approximates market	\$ 17,668	\$ 16,693
Accounts receivable and prepaid expense	524	765
Inventory	12,993	13,719
Total Current Assets	31,185	31,177
Due from Consolidated Fund (Note 4)	144,900	213,800
Fixed		
Buildings, sites and equipment (Note 3)	17,472	17,878
	<u>\$193,557</u>	<u>\$262,855</u>
Liabilities and Equity		
Current		
Accounts payable	\$ 8,446	\$ 6,824
Pension costs payable (Note 6)	5,087	4,211
Total Liabilities	13,533	11,035
Equity		
Retained earnings (Statement 2)	180,024	251,820
	<u>\$193,557</u>	<u>\$262,855</u>

(see accompanying notes)



Statement 2 — Combined Statement of Income and Retained Earnings for the year ended March 31 (Thousands of Dollars)

	1989	1988 (Note 12)
Total Sales (Note 7 & 8)	\$313,268	\$310,039
Cost of Sales (Schedule 1)	171,327	166,868
Gross Profit	141,941	143,171
Operating expenses (Schedule 2)	26,414	25,451
Operating Income	115,527	117,720
Other income (Schedule 3)	6,677	6,121
Net Income for the year	122,204	123,841
Retained earnings, beginning of year	251,820	127,979
	374,024	251,820
Payments to Minister of Finance (Note 5)	194,000	—
Retained earnings, end of year (Statement 1)	<u>\$180,024</u>	<u>\$251,820</u>

(see accompanying notes)



Statement 3 — Combined Statement of Cash Flows for the year ended March 31

(Thousands of Dollars)

	1989	1988 (Note 12)
Cash Provided By (Used In) Operating Activities		
Income from Operations	\$122,204	\$123,841
Add charges to operations not requiring a current cash payment		
— Depreciation	1,290	1,299
— (Gain)/loss on sale of building, sites and equipment	(1)	(25)
— Additions to Pension Costs Payable	876	815
	<u>124,369</u>	<u>125,930</u>
Net change in non-cash working capital balances related to operations. *	2,589	(2,845)
Cash Provided by Operating Activities	<u>126,958</u>	<u>123,085</u>
Cash Provided By (Used In) Investment Activities		
Additions to buildings, sites and equipment	(885)	(516)
Proceeds from disposal of buildings, sites and equipment	2	45
Cash Used in Investment Activities	<u>(883)</u>	<u>(471)</u>
Cash used in transfer payments		
(Additions) Reductions in Due from Consolidated Fund	68,900	(122,000)
Payments to Minister of Finance	(194,000)	—
Cash used in transfer payments	<u>(125,100)</u>	<u>(122,000)</u>
Net Increase (Decrease) in Cash during year	975	614
Cash Position at Beginning of Year	16,693	16,079
Cash Position at End of Year	<u>\$ 17,668</u>	<u>\$ 16,693</u>
Cash position comprises cash, (bank overdraft) and short-term investments		
*Accounts Receivable	241	(269)
Inventory	726	546
Accounts Payable	1,622	(3,122)
	<u>\$ 2,589</u>	<u>\$ (2,845)</u>



Notes to Financial Statements

Notes to Financial Statements March 31, 1989

1. Accounting Policy

(a) Inventory

Inventory which consists of wines, spirits and beer is valued at cost which does not exceed net realizable value.

(b) Buildings, Sites, and Equipment

Buildings, sites and equipment are stated at cost less accumulated depreciation. Depreciation is recorded on a straight-line basis at rates designed to amortize the cost of fixed assets over their estimated useful lives. Depreciation rates are as follows:

Buildings — 2½%, 5%

Equipment — 15% - 33%

Leasehold improvements — term of lease.

(c) Pension Plans

Presently, the Board and Commission are participating in two pension plans. One is the Public Employees' (Government Contributory) Superannuation Plan. It is a cost based pension plan and all pension costs which are charged to operations are equivalent to the amount provided for funding. The other plan, the Liquor Board Superannuation Plan, is a benefit based

plan and accordingly the Board has with the recommendation from its Actuary established the following policies:

- Current service costs are charged to operations.
- Past service costs arising from modification of the benefits payable under the plan or adjustments in the pension cost calculations brought about by an actuarial evaluation are charged to operations over the future working period of the present members of the plan, not to exceed 15 years.
- Any differences between amounts charged to operations and amounts provided for funding is shown as a liability or deferred charge.

2. Authority

The Saskatchewan Liquor Board and Liquor Licensing Commission were continued under the authority of The Alcohol Control Act, Chapter A-18.01, proclaimed January 2, 1989.

Combined financial statements are presented for the year in accordance with Section 174 of the Alcohol Control Act (Note 12).

3. Buildings, Sites and Equipment

	(Thousands of Dollars)			(Note 12)
	1989			1988
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Sites	\$ 2,101	\$ —	\$ 2,101	\$ 2,101
Buildings	17,840	4,272	13,568	13,648
Furniture and equipment	4,756	3,512	1,244	1,841
Leasehold improvements	1,412	853	559	288
	<u>\$26,109</u>	<u>\$8,637</u>	<u>\$17,472</u>	<u>\$17,878</u>



4. Due From Consolidated Fund

This amount represents funds deposited to the credit of the Board in the Consolidated Fund of the Province within the provisions of Section 170 of The Alcohol Control Act and Section 16 of The Financial Administration Act and Treasury Board Accounting and Reporting Policy. This amount, which is non-interest bearing, may be reduced as decisions are made by Treasury Board concerning the disposition of profits under Section 175 of The Alcohol Control Act.

5. Payments to Minister of Finance

Payments to the Minister of Finance for the Consolidated Fund are at the direction of the Treasury Board pursuant to Section 175 of The Alcohol Control Act.

6. Pension Plan

In accordance with the Canadian Institute of Chartered Accountants' recommendations on accounting for pension costs and obligations, the Board and Commission determine the cost of sponsoring the Liquor Board Superannuation Plan by the accrued benefit method.

Pension plan assets are valued at market-related values. Adjustments arising from changes in assumptions and experience gains and losses are amortized on a straight-line basis over the expected average remaining service life of the plan participants.

An actuarial valuation as at December 31, 1986 established an accrual basis unfunded liability of \$13,300,000, consisting of the actuarial present value of accrued pension benefits attributed to services rendered of \$24,900,000 less the value of superannuation fund assets of \$11,600,000.

For several years, the Board and Commission have provided for the unfunded liability by a charge against earnings of an amount in excess of that funded. The cumulative difference of \$5,086,634 between the provision for pension costs and funding contributions is shown as pension costs payable.

The provision for pension costs and funding contributions are as follows:

	1989	1988 (Note 12)
Pension Costs:		
Current service	\$ 96,029	\$ 96,029
Amortization of unfunded liability	1,781,647	1,707,243
Total Cost	1,877,676	1,803,272
Funding contributions	1,001,586	988,647
Excess of costs over funding, added to pension costs payable	<u>\$ 876,090</u>	<u>\$ 814,625</u>

7. Beer Sales and Costs of Sales

The beer sales and cost of sales amounts are stated net of container deposits. The container deposits for 1989 amounted to \$17,061,447 (1988 - \$18,334,827.)

8. Sales

Total sales are comprised of the following:

(Thousands of Dollars)

	1989	1988 (Note 12)
Wines and Spirits		
— in stores:		
— to licensees	\$ 21,377	\$ 21,841
— to public	119,702	125,644
	<u>\$141,079</u>	<u>\$147,485</u>
— to franchisees:		
— to licensees	\$ 7,296	\$ 7,209
— to public	21,868	22,323
	<u>\$ 29,164</u>	<u>\$ 29,532</u>
	<u>\$170,243</u>	<u>\$177,017</u>
Beer		
— to licensees	\$91,560	\$82,035
— in stores	49,061	48,741
— to franchisees	2,404	2,246
	<u>\$143,025</u>	<u>\$133,022</u>
	<u>\$313,268</u>	<u>\$310,039</u>



9. Enforcement Expenses

A Treasury Board Accounting and Reporting Policy authorizes the payment by the Board of certain expenses relative to the enforcement of provisions of The Alcohol Control Act.

As a result, the year ended March 31, includes the following expenses:

	(Thousands of Dollars)	
	1989	1988 (Note 12)
Department of Urban Affairs	\$1,000	\$1,000
Department of Justice	2,235	1,973
	<u>\$3,235</u>	<u>\$2,973</u>

10. Related Parties

Included in these financial statements are expenses resulting from routine operating transactions conducted at prevailing market prices with various Saskatchewan crown controlled departments, agencies and corporations with which the Board is related.

Account balances resulting from these transactions are included in the balance sheet and are settled on normal trade terms. Other amounts due to (from) related parties and the terms of settlement are described separately in the financial statements and the notes thereto.

11. Liquor Consumption Tax

For the year ended March 31, 1989 the Board has collected and remitted to Saskatchewan Finance, Liquor Consumption Tax in the amount of \$16,855,899.

12. Comparative Information

Section 174 of The Alcohol Control Act requires The Saskatchewan Liquor Board and the Liquor Licensing Commission to prepare combined financial statements for the 1989 year. The Saskatchewan Liquor Board and the Liquor Licensing Commission previously prepared separate financial statements.

The comparative information has been provided to increase the usefulness of these financial statements. The comparative information was derived from the audited financial statements of the Saskatchewan Liquor Board and the Liquor Licensing Commission.



Schedules

Schedule 1 — Combined Cost of Sales for the Year Ended March 31

(Thousands of Dollars)

	1989	1988 (Note 12)
Inventory, beginning of year	\$ 13,719	\$ 14,265
Net Purchases	126,518	119,338
Freight	3,860	4,233
Duty and excise tax	40,223	42,751
	184,320	180,587
Less inventory, end of year	12,993	13,719
	<u>\$171,327</u>	<u>\$166,868</u>

(see accompanying notes)

Schedule 2 — Combined Operating Expenses for the Year Ended March 31

(Thousands of Dollars)

	1989	1988 (Note 12)
Audit fees	\$ 52	\$ 52
Bank service charges	119	95
Breakages	123	123
Building operation	304	273
Communications	350	353
Customer service programs	41	65
Data processing	245	193
Depreciation on buildings	569	562
Enforcement expense (Note 9)	3,235	2,973
Equipment maintenance and depreciation	1,017	1,057
Grants in lieu of taxes	925	863
Insurance	86	89
New Act Implementation	258	0
Pension Costs	2,141	2,053
Rent and utilities	1,971	1,894
Salaries, wages and fringe benefits	13,546	13,345
Stationery and supplies	571	623
Sundry	520	461
Travel and vehicle	341	377
	<u>\$26,414</u>	<u>\$25,451</u>

(see accompanying notes)



Schedule 3 — Combined Other Income for the Year Ended March 31

(Thousands of Dollars)

	1989	1988 (Note 12)
Interest	\$3,196	\$2,603
License and Surcharge	1,459	1,476
License and Other Fees	492	546
Permit	598	608
Sundry	932	888
	<u>\$6,677</u>	<u>\$6,121</u>

(see accompanying notes)

